

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 22-2954-PET

Petition of Vermont Department of Public)
Service to open an EEU Demand Resource Plan)
proceeding for the 2024-2026 and 2027-2029)
performance periods)

AFFIDAVIT OF KELLY LUCCI

I, Kelly Lucci, being duly sworn, hereby depose and states as follows:

a. **INTRODUCTION**

1. I am employed by the Vermont Energy Investment Corporation (“VEIC”) and serve as Director of Strategy and Partnerships for Efficiency Vermont, Vermont’s statewide energy efficiency utility (“EEU”). My business address is 20 Winooski Falls Way, 5th Floor, Winooski, Vermont, 05404.

2. I am the same Witness Lucci that previously provided testimony in this proceeding.

3. I am familiar with Efficiency Vermont’s Demand Resource Plan (“DRP”) Update Proposal for the 2024 to 2026 performance period that was approved by the Vermont Public Utility Commission (the “Commission” or “PUC”) by Orders issued September 26, 2023 and November 13, 2023 in Case No. 22-2954-PET (the “Demand Resource Plan Proceeding” or “DRPP”).

4. I am also familiar with Efficiency Vermont's Act No. 151¹ greenhouse gas ("GHG") emissions reduction programs that were approved by the Commission for delivery during the 2021 to 2023 performance period in Case No. 19-3272-PET, the prior DRPP. Efficiency Vermont's Act No. 151 activities were concentrated on efforts to expand electric vehicle supply chain development, and support consumer outreach and education. They also included a program developed in collaboration with distribution utilities that combined thermal efficiency with heating electrification for low- and moderate-income customers (together the "Act No. 151 Programs").

b. **PURPOSE**

5. This affidavit affirms that the exhibit I sponsor, Exhibit EVT-KL-7, is a detailed proposal containing a planned program description and budget summary of the Energy Efficiency Modernization ("EEMA") Programs Efficiency Vermont proposes to be authorized by the Commission, pursuant to the authority conferred under Act No. 44. This exhibit is also intended to provide the Commission with the necessary foundational elements for it to fulfill reporting requirements and develop standards and methods to appropriately measure the effectiveness of an EEU's Act No. 44 programs, measures, and services.

6. This Affidavit briefly describes the scope of amendments to the programs, services and measures that Efficiency Vermont proposes for the 2024 to 2026 DRP performance period (the "DRP Amendment") to implement the authority established pursuant to Act No. 44,

¹ "Act No. 151" refers to *An act relating to energy efficiency entities and programs to reduce greenhouse gas emissions in the thermal energy and transportation sectors* as enacted by the Vermont General Assembly and signed into law on September 23, 2020. Act No. 151 authorized the Commission to allow Efficiency Vermont to use funding raised via the Energy Efficiency Charge ("EEC") for the implementation of GHG emissions reduction programs.

as promulgated by the Vermont General Assembly in June of 2023, permitting EEU's to engage in activities that reduce greenhouse gas emissions in the thermal and transportation sectors (the "Act No. 44 GHG Emissions Reduction Programs," "Act No. 44 Programs" or "Energy Efficiency Modernization Programs").

7. This affidavit also provides information to help Efficiency Vermont demonstrate that its DRP Amendment proposal is consistent with the requirements of Act No. 44 and that the Commission should approve it.

8. This Affidavit supplements the results of Efficiency Vermont's Amended DRP Model sponsored by Witness Pilliod.²

c. **SUMMARY**

9. Efficiency Vermont's proposal to amend its DRP to allow for the implementation of Act No. 44 Energy Efficiency Modernization Programs was developed in consultation with stakeholders and provides for the reallocation of approved electric resource acquisition ("RA") budget amounts for the pursuit of new programs, measures and services that seek to reduce GHG emissions in the thermal energy and transportation sectors. The proposed Act No. 44 programs are described in Exhibit EVT-KL-7.

10. Under Efficiency Vermont's EEMA program proposal, the EEU's activities would have two focus areas: (1) focus on providing services to assist low income ("LI") customers to install cold climate heat pumps that offset their fossil fuel usage, and (2) continue midstream market support and consumer awareness for electric vehicles in Vermont.

² Efficiency Vermont's Amended DRP Model is included with Witness Pilliod's Affidavit as Exhibit EVT-JP-2.

11. The proposed three-year budget for the entirety of Efficiency Vermont's proposed Act No. 44 programs, measures and services is \$6 million (2024-2026).

d. **DISCUSSION**

i. **Description of Efficiency Vermont's Proposed DRP Amendment.**

12. On June 1, 2023, Governor Scott signed Act No. 44 into law authorizing the Commission to continue to approve qualifying EEU programs, measures, and services that reduce greenhouse gas emissions in the thermal energy and transportation sectors. The Act contains various requirements and conditions on the use of energy efficiency charge ("EEC") funds for qualifying programs, measures, and services that were based on the requirements for the implementation of such programs in the 2021 to 2023 DRP performance period pursuant to Act No. 151.

13. In furtherance of the objectives advanced under Act No. 44, Efficiency Vermont developed a proposal to reallocate the use of funds budgeted by the Commission earlier in this DRPP to support programs, measures, and services that reduce GHG emissions in the thermal energy and transportation sectors.

14. Efficiency Vermont's delivery of its proposed EEMA Programs will not increase the budget approved for Efficiency Vermont's delivery of electric efficiency services in the 2024 to 2026 performance period in this DRPP. To implement the proposed EEMA programs, Efficiency Vermont will reduce certain activities that have been characterized in its Case No. 22-2954-PET DRP Model previously considered by the Commission in this matter.³

³ Efficiency Vermont initial DRP Model was admitted into evidence as Exhibit EVT-JP-1.

15. Efficiency Vermont's specific EEMA program proposals are described in Part 1 of my Exhibit EVT-KJ-7. The Program's compliance with Act No. 44's legislative parameters are described in Part 2 of this same exhibit, and Part 3 addresses specific questions raised by the Department or Commission in association with Efficiency Vermont's prior request for continuation of Act 151 programs and other general questions.⁴

16. Thermal energy sector activities would be concentrated on efforts to support heating electrification for customers whose homes have previously been weatherized by low-income Weatherization Agencies ("WAPs") to continue offering the Low-Income Fuel Switch program in partnership with Distribution Utilities during the 2024 to 2026 performance period.

17. In the transportation sector, Efficiency Vermont plans to continue its focus on developing the midstream market for electric vehicles. It will do this by growing the 51-member EEN Dealership network that began in the initial Act No. 151 pilot in 2021-2023, and focus on efforts to further develop the availability of used electric vehicles. Efficiency Vermont will complement the dealership program by continuing consumer outreach and education.

18. The EEMA Program Proposal is supported by the additional elements of the Affidavit and Exhibits of Jay Pilliod which include an Amended DRP Model that details the effects of the proposal on Efficiency Vermont's programs and markets, and revised program metrics, and compensation tables.⁵ Together these materials comprise Efficiency Vermont's proposed DRP Amendment.

⁴ See Case No. 22-2954-Pet, Order of 11/2/2023 at 7 and 9-11.

⁵ Efficiency Vermont's Amended DRP Model is included with Witness Pilliod's Affidavit as Exhibit EVT-JP-2 and its performance compensation tables are included as Amended Attachment #2.

19. If the Commission approves the proposal without alteration, the materials and exhibits contained in the DRP Amendment are intended to amend the materials approved in the review of Efficiency Vermont DRP Update proposal for implementation January 1, 2024 by Orders issued September 26, 2023 and November 13, 2023 in Case No. 22-2954-PET.

20. Efficiency Vermont seeks authorization to implement Energy Efficiency Modernization Programs in both the thermal energy and transportation sectors. Exhibit EVT-KL-7 provides a detailed description of the specific program initiatives including budgets and supporting analysis. As described in Exhibit EVT-KL-7, Efficiency Vermont proposes to continue the pilot programs supported in the 2021-2023 performance period to develop the supply chain for EVs, and support installation of cold climate heat pumps for households that were previously served by WAPs. Efficiency Vermont will incorporate improvements in these programs that were recommended by stakeholders during the development of this EEMA proposal.

21. Efficiency Vermont chose to concentrate on low and moderate income (“LMI”) customer thermal activities and midstream electric transportation markets as key focus areas for its Act No. 44 initiatives because these areas were identified as “gaps” not addressed by other programs when stakeholder outreach and initial programs were developed in 2020. Stakeholders who provided input on this proposal for 2024-2026 programs continued to highlight the importance of these efforts.

22. In order to fund the proposed Energy Efficiency Modernization Programs, Efficiency Vermont proposes to reduce certain initiatives included in its approved 2024 to 2026

Baseline DRP. Witness Pilliod details these reductions and discusses the impacts and tradeoff associated with the proposed budget reallocation.⁶

23. Efficiency Vermont choose to reduce the identified DRP initiatives to fund its proposed Energy Efficiency Modernization Programs because Efficiency Vermont believes this proposal has the opportunity to create greater benefits through reduced greenhouse gas emissions and greater focus on equity than what the Baseline DRP alone can provide.

24. Efficiency Vermont is not proposing that a portion of its amended budget be used for new evaluation, measurement, or verification activities for its Act No. 44 programs. Efficiency Vermont's proposal relies on the use of a portion of its approved electric RA budget for Act No. 44 activities, and the EEU does not consider this proposal as being incremental to the DRP. Rather, these activities are a subset of its activities and budgets, and should not necessitate incremental evaluation funding. Efficiency Vermont anticipates that if the Department chooses to evaluate or verify any of the Act No. 44 programs, such activities will be funded with a proportional share of the evaluation funds that have been allocated to the Department and approved by the Commission in this DRPP. As such, Efficiency Vermont has not identified or budgeted any incremental evaluation funds for the proposed Act No. 44 programs.

ii. **Compliance with Act No. 44 Requirements.**

25. VEIC is the recipient of an Order of Appointment pursuant to 30 V.S.A. § 209(d)(2) to administer Efficiency Vermont, the statewide energy efficiency utility, for calendar

⁶ See also Exhibit EVT-JP-2.

years 2024 to 2026. The current version of the VEIC Order of Appointment was issued by the Commission in Case No. 22-1647-PET on January 27, 2023.

26. The Efficiency Vermont EEMA proposal described in Exhibit EVT-KL-7 fully and completely represents the best intent of the organization to satisfy the requirements of Act No. 44. This section of my Affidavit identifies the applicable Act No. 44 requirements and provides the page references to Exhibit EVT-KL-7 where Efficiency Vermont's affirmative case in support for the requirement is presented:

- A. Efficiency Vermont's Total electric resource acquisition budget for 2024-2026 does not exceed the entity's total electric resource acquisition budget for 2021-2023, adjusted for cumulative inflation between January 1, 2021, and July 1, 2023, using the national consumer price index. See Act No. 44, Sec. 1(a).

See Exhibit EVT-KL-7 at page 13.

- B. Efficiency Vermont's proposed budget for Act No. 44 Programs does not exceed \$2,000,000.00 per year, on programs, measures, and services that reduce greenhouse gas emissions in the thermal energy or transportation sectors. *See Act No. 44, Sec. 1(b).*

See Exhibit EVT-KL-7 at page 13.

- C. Efficiency Vermont's Proposed Act No. 44 programs, measures, and services reduce greenhouse gas emissions in the thermal energy or transportation sectors, or both. *See Act No. 44, Sec. 1(b)(1).*

See Exhibit EVT-KL-7 at pages 14-15.

- D. Efficiency Vermont's proposed emissions reduction programs, measures, and services have a nexus with electricity usage. *See Act No. 44, Sec. 1(b)(2).*

See Exhibit EVT-KL-7 at pages 15-16.

- E. Efficiency Vermont's proposed Act No. 44 programs, measures, and services are additive and complementary to and do not replace and are not in competition with electric utility energy transformation projects pursuant to 30 V.S.A. § 8005(a)(3) and existing thermal efficiency programs

operated by an entity appointed under 30 V.S.A. § 209(d)(2)(A) such that they result in the largest possible greenhouse gas emissions reductions in a cost-effective manner. *See* Act No. 44, Sec. 1(b)(3).

See Exhibit EVT-KL-7 at pages 16-18.

- F. Before proposing the programs, measures, and services, Efficiency Vermont consulted with relevant State agencies and departments and they are not duplicative or in competition with programs delivered by the agencies or departments. *See* Act No. 44, Sec. 1(b)(4).

See Exhibit EVT-KL-7 at pages 18-20.

- G. Efficiency Vermont's proposed emissions reduction programs, measures, and services will be delivered on a statewide basis. *See* Act No. 44, Sec. 1(b)(5).

See Exhibit EVT-KL-7 at pages 21-22.

- H. Efficiency Vermont will provide the programs, measures, and services in cooperation with a retail electricity provider. *See* Act No. 44, Sec. 1(c).

See Exhibit EVT-KL-7 at page 22.

- I. Efficiency Vermont will not claim any savings and reductions in fossil fuel consumption and in greenhouse gas emissions by the customers of the retail electricity provider resulting from the programs, measures, or services if the provider elects to offer the program, measure, or service pursuant to 30 V.S.A. § 8005(a)(3) unless Efficiency Vermont and the provider agree upon how savings and reductions should be accounted for, apportioned, and claimed. *See* Act No. 44, Sec. 1(c)(1).

See Exhibit EVT-KL-7 at page 22.

27. Efficiency Vermont collaborated with State Agencies and stakeholders over the past three years while the Act 151 programs were initially developed, and then implemented. Efficiency Vermont worked again with Agencies and stakeholders through its DRP Update proposed last year and this proposed Amendment. The information gleaned from these collaborations have informed the development of this proposal and support the implementation of the proposed EEMA Programs in the 2024-2026 performance period. These services will

advance important state initiatives and should be found to be beneficial to the ratepayers of the distribution utility companies where Efficiency Vermont serves as the statewide EEU.

e. **CONCLUSION**

28. Efficiency Vermont's DRP Amendment satisfies the requirements established under Act No. 44, calls for the continued implementation of GHG emissions reduction programs targeted at the thermal energy and transportation sectors, and is designed to further state initiatives in a manner that is beneficial for customers and furthers the general good.

I declare that the above statements are true and accurate to the best of my knowledge and belief. I understand that if the above statements are false, I may be subject to sanctions by the Commission pursuant to 30 V.S.A. § 30.

DATED at WINOOSKI, VERMONT, this 17th day of November 2023.

By: /s/KELLY LUCCI
Kelly Lucci
Director of Strategy and Partnerships
Efficiency Vermont
20 Winooski Falls Way, 5th Floor
Winooski, Vermont, 05404

cc: Parties of Record (vis ePUC)